



AURELIUS TECHNOLOGIES BERHAD
(Company Registration No. 202101005015 (1405314-D))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENT
FOR THE FOURTH (4th) QUARTER AND
FINANCIAL YEAR ENDED 31 JANUARY 2023**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

	4th Quarter Ended			Cumulative quarter ended		
	31 January 2023	31 January 2022	Changes	31 January 2023	31 January 2022	Changes
	Unaudited	Unaudited		Unaudited	Audited	
	(a)	(b)	%	(a)	(b)	%
	RM	RM	%	RM	RM	%
Revenue	137,149,895	106,606,799	28.7	482,361,655	367,421,226	31.3
Cost of sales	(114,605,553)	(96,068,976)	19.3	(422,119,284)	(326,756,364)	29.2
Gross Profit	22,544,342	10,537,823	113.9	60,242,371	40,664,862	48.1
Other Income	415,860	67,628	514.9	1,394,430	306,008	355.7
Administrative expenses	(7,603,434)	(4,968,248)	53.0	(17,096,141)	(10,991,791)	55.5
Selling and distribution expenses	(136,012)	(73,147)	85.9	(380,728)	(176,202)	116.1
Operating profit	15,220,756	5,564,056	173.6	44,159,932	29,802,877	48.2
Finance costs	(1,175,936)	(1,055,387)	11.4	(3,879,020)	(3,897,402)	(0.5)
Profit before tax	14,044,820	4,508,669	211.5	40,280,912	25,905,475	55.5
Taxation	(1,172,200)	610,147	(292.1)	(3,036,326)	(3,872,853)	(21.6)
Profit for the financial period/ year	12,872,620	5,118,816	151.5	37,244,586	22,032,622	69.0
Total other comprehensive Income, net of tax:						
Items that will not be reclassified subsequently to profit or loss:						
Transfer of revaluation surplus to retained profits	46,880	46,880	-	187,519	187,519	-
Realisation of revaluation surplus upon depreciation	(46,880)	(46,880)	-	(187,519)	(187,519)	-
Net Profit/ Total comprehensive income for the financial period/ year attributable to :						
Owner of the Company	12,872,620	5,118,816	151.5	37,244,586	22,032,622	69.0
	12,872,620	5,118,816	151.5	37,244,586	22,032,622	69.0
Earnings Per Share attributable to Owners of the Company						
Basic EPS (sen)	(c)	3.59	1.43	10.40	6.15	
Diluted EPS (sen)	(d)	3.59	1.43	10.39	6.15	

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)

Notes:

(a) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2022 and the interim notes attached to this interim financial statement.

(b) The comparative figures for the preceding year corresponding quarter and preceding period/ year with the consolidated financial information are available in the interim and audited financial statement for the financial year ended 31 January 2022 announced by the Company in compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Main LR").

(c) Basic earnings per share ("EPS") is calculated based on the profit attributable to owners of the Company divided by the number of ordinary shares issued of 358,180,000 as disclosed in B12 (i).

(d) Diluted earnings per share ("DEPS") is calculated based on the profit attributable to owners of the Company divided by the number of ordinary shares of 358,505,000 after including the Performance Share Grant (PSG) offer under the Employees Share Scheme (ESS) as disclosed in B12 (ii).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Unaudited</u> As at 31 January 2023 (a) RM	<u>Audited</u> As at 31 January 2022 RM
ASSETS		
Non-current asset		
Property, plant and equipment	115,374,459	83,962,896
Right-of-use assets	1,848,088	-
Current assets		
Inventories	101,739,307	133,500,019
Trade receivables	131,825,689	90,580,658
Other receivables, deposits and prepayments	4,726,849	2,520,959
Contract assets	12,241,534	23,510,090
Current tax asset	-	938,223
Short term investments	1,965,054	-
Fixed deposits with licensed banks	7,216,508	41,707,008
Cash and bank balances	41,707,054	34,632,313
	<u>301,421,995</u>	<u>327,389,270</u>
TOTAL ASSETS	<u>418,644,542</u>	<u>411,352,166</u>
EQUITY & LIABILITIES		
Share capital	182,946,490	182,946,490
Merger deficit	(38,486,932)	(38,486,932)
Revaluation reserve	6,188,182	6,375,701
ESS Reserve	96,199	-
Retained profits	80,851,432	50,582,927
Total equity	<u>231,595,371</u>	<u>201,418,186</u>
Non-current liabilities		
Borrowings	20,919,899	15,862,145
Lease Liability	901,301	-
Deferred tax liabilities	8,691,000	7,881,000
	<u>30,512,200</u>	<u>23,743,145</u>
Current liabilities		
Trade payables	73,698,734	75,496,126
Other payables & accruals	7,868,604	12,175,791
Borrowings	72,894,046	98,471,918
Lease Liability	1,042,695	-
Provision of taxation	1,032,892	47,000
	<u>156,536,970</u>	<u>186,190,835</u>
Total Liabilities	<u>187,049,171</u>	<u>209,933,980</u>
TOTAL EQUITY AND LIABILITIES	<u>418,644,542</u>	<u>411,352,166</u>
Net Assets per share attributable to owner of the Company (RM) (b)	0.65	0.56

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*cont'd*)

Notes:-

(a) The condensed consolidated statement of financial position should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2022 and the accompanying explanatory notes attached to this interim financial statement.

(b) Net Assets per share attributable to the equity owners of the Company was computed based on total equity divided by the number of ordinary shares outstanding of 358,180,000 shares issued.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarter ended	
	31 January 2023 (a)	31 January 2022 (b)
	Unaudited	Audited
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	40,280,913	25,905,475
Adjustments for:		
Depreciation of property, plant & equipment	8,745,321	5,609,204
Gain on disposal of property, plant & equipment	300	(3,881)
Fair Value gain on short term investments	(572,786)	-
Interest expense	3,718,996	3,716,006
Interest income	(544,197)	(277,666)
Dividend income	-	(23,485)
(Reversal)/Provision of obsolescence/slow moving inventories	(193,436)	463,353
Performance share grant	96,199	-
Unrealised loss on foreign exchange	4,156,190	240,282
Operating profit before working capital changes	55,687,500	35,629,288
Changes in working capital:		
Inventories	31,954,147	(61,431,291)
Receivables	(49,500,995)	9,419,838
Contract assets	11,268,556	1,662,993
Payables	(3,178,079)	31,721,133
Net cash flows generated from operations	46,231,129	17,001,961
Interest paid	(3,710,234)	(3,716,006)
Income tax paid	(1,535,688)	(2,147,493)
Net cash flows generated from operating activities	40,985,207	11,138,462
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(39,923,070)	(33,379,802)
Proceeds from disposal of property, plant & equipment	29,900	9,570
Interest received	544,197	172,310
Dividend received	-	23,485
Short term investments	(1,392,268)	-
Fixed deposits with licensed bank	(512,163)	(1,392,337)
Net cash used in investing activities	(41,253,404)	(34,566,774)
CASH FLOW FROM FINANCING ACTIVITIES		
Net (repayment)/ drawdown in bankers acceptances and OFCI	(20,895,405)	1,198,640
Net drawdown/ (repayment) of finance lease	151,554	(7,376,031)
Net drawdown/ (repayment) of term loans	6,748,785	(20,896,511)
Net (repayment)/ drawdown of revolving credit	(5,000,000)	5,000,000
Repayment of lease liability	(176,867)	-
Dividends paid	(7,163,600)	(555,934)
Proceed from issuance of share capital	-	98,595,489
Net cash (used)/ generated in financing activities	(26,335,533)	75,965,653
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVAL	(26,603,730)	52,537,341
Effect of changes in foreign exchange rate	(1,324,192)	(10,937)
CASH & CASH EQUIVALENTS AT BEGINNING	69,634,976	17,108,572
CASH & CASH EQUIVALENTS AT END	41,707,054	69,634,976

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (*cont'd*)

	Cumulative quarter ended	
	31 January 2023 (a)	31 January 2022 (b)
	Unaudited	Audited
	RM	RM
Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:		
Fixed deposits with licensed banks	7,216,508	41,707,008
Cash and bank balances	<u>41,707,054</u>	<u>34,632,313</u>
	48,923,562	76,339,321
Less: Fixed deposits pledged with licensed banks	<u>(7,216,508)</u>	<u>(6,704,345)</u>
CASH & CASH EQUIVALENTS AT END	<u>41,707,054</u>	<u>69,634,976</u>

Notes:

(a) *The condensed consolidated statement of cash flows should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2022 and the accompanying explanatory notes attached to this interim financial statement.*

(b) *The comparative figures for the preceding year corresponding quarter and preceding period with the consolidated financial information is available as the interim financial statement announced by the Company in compliance with the Main LR of Bursa Securities.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company					Distributable Retained Profits RM	Total Equity RM
	Share Capital RM	Invested Equity RM	Non-distributable ESS Reserve RM	Merger Deficit RM	Revaluation Reserve RM		
Unaudited (a)							
Year ended 31 January 2023							
Balance as at 1 February 2022	182,946,490	-	-	(38,486,932)	6,375,701	50,582,927	201,418,186
Performance share grant	-	-	96,199	-	-	-	96,199
Profit after taxation	-	-	-	-	-	37,244,586	37,244,586
Total comprehensive income/(loss)	-	-	-	-	(187,519)	187,519	-
Dividends paid	-	-	-	-	-	(7,163,600)	(7,163,600)
As 31 January 2023	182,946,490	-	96,199	(38,486,932)	6,188,182	80,851,432	231,595,371
Audited							
Year ended 31 January 2022							
Balance as at 1 February 2021	-	45,864,068	-	-	6,563,220	31,649,774	84,077,062
At date of incorporation	1	-	-	-	-	-	1
Profit after taxation	-	-	-	-	-	22,032,622	22,032,622
Total comprehensive income/(loss)	-	-	-	-	(187,519)	187,519	-
Transactions with equity owners:							
Adjustment on the acquisition of a subsidiary		(45,864,068)	-	45,864,068	-	-	-
Issuance of shares pursuant to:							
- acquisition of a subsidiary	84,351,000			(84,351,000)			
- public issue	104,733,599						104,733,599
Shares issuance expenses for the public issue	(6,138,110)						(6,138,110)
Dividends paid	-					(3,286,988)	(3,286,988)
Total transaction with owners	182,946,489	(45,864,068)	-	(38,486,932)	-	(3,286,988)	95,308,501
As 31 January 2022	182,946,490	-	-	(38,486,932)	6,375,701	50,582,927	201,418,186

Notes:

(a) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statement for the financial year ended 31 January 2022 and the accompanying explanatory notes attached to this interim financial statement.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2023

A. EXPLANATORY NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED 31 JANUARY 2023

A1. Basis of Preparation

The interim financial statements of Aurelius Technologies Berhad (“ATech” or “Company”) and BCM Electronics Corporation Sdn Bhd (“BCM Electronics”), the Company’s sole subsidiary (collectively, “the Group”) are unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Main LR.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed interim financial statement are consistent with those adopted in the audited financial statements of the Group for the year ending 31 January 2022. The interim financial statement should be read in conjunction with the consolidated financial information and the audited financial statement of the Group for the year ending 31 January 2022.

A2. Changes in Accounting Policies

The accounting policies adopted by the Group are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 June 2020

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concession

Effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform – Phase 2

Initial application for the above standards did not have any material impact to the financial statements of the Group upon adoption.

Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 April 2021

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework

Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' reports to the respective members of ATech and BCM Electronics on the financial statements for the financial year ended 31 January 2022 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's revenues are typically lower in the first half of our financial year because our customers plan ahead for their requirements for the entire year and accordingly, the bulk of order from customers are typically received after the end of festive period, namely the calendar new year and Chinese New Year, which occur at the beginning of the year. Invoices for the order being delivered are issued progressively in subsequent months depending on our production processes lead times applicable.

A5. Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the quarter under review.

A6. Material Changes in Estimates

There was no change in the estimate of amounts reported that have a material effect in the quarter under review.

A7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities by the Company for the quarter under review.

A8. Segmental Reporting

The management determines the business segments based on the reports reviewed and used by the management for strategic decisions making and resource allocation.

No segmental analysis by business segment is prepared as the Group operates predominantly in the electronic manufacturing services ("EMS") focusing on industrial electronic products namely, communications and internet of things ("IoT") products, electronics devices, and semiconductor components.

Revenue segmented by products

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31 Jan 2023	Quarter	31 Jan 2023	Period
	RM	31 Jan 2022	RM	31 Jan 2022
	RM	RM	RM	RM
Communications and IoT products	111,593,367	95,568,000	402,230,806	317,391,245
Electronics devices	15,823,446	6,968,442	52,955,630	38,885,488
Semiconductor components	9,733,082	4,070,357	27,175,219	11,144,493
	<u>137,149,895</u>	<u>106,606,799</u>	<u>482,361,655</u>	<u>367,421,226</u>

Revenue segmented by geographical markets

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31 Jan 2023	Quarter	31 Jan 2023	Period
	RM	31 Jan 2022	RM	31 Jan 2022
	RM	RM	RM	RM
MALAYSIA	24,441,504	39,388,106	137,534,572	128,022,470
AMERICAS	78,212,895	52,180,247	238,634,196	170,935,692
ASIA PACIFIC (excluding Malaysia)	20,456,655	6,770,576	57,505,600	38,317,611
EUROPE	14,038,841	8,267,870	48,687,287	30,145,453
	<u>137,149,895</u>	<u>106,606,799</u>	<u>482,361,655</u>	<u>367,421,226</u>

A9. Dividend Paid

The first interim tax exempt (single tier) dividend of 2.00 sen per ordinary share for the financial year ended 31 January 2023 amounting to RM7.2 million was declared on 29 September 2022 and paid on 26 October 2022.

Save as disclosed above, there was no other dividend paid during the current quarter under review.

A10. Property, Plant and Equipment

The Group did not carry out any revaluation of its property, plant and equipment in the current quarter under review.

A11. Capital Commitments

	Unaudited As at 31 January 2023 RM	Audited As at 31 January 2022 RM
Contracted but not provided for:		
- Property, plant and equipment	5,259,402	1,387,262
Approved but not provided for:		
- Property, plant and equipment	31,544,324	53,542,600
	36,803,726	54,929,862

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A13. Contingent Liabilities and Contingent Assets

There was no material contingent liability or contingent asset to be disclosed as at the date of this report.

A14. Significant Related Party Transactions

There was no related party transaction during the quarter under review.

A15. Fair value of financial instruments

The Group measures its financial instruments carried at fair value in accordance with the following levels of fair value hierarchy which are categorised based on the input used in the valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability; and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable input).

The Group's financial instruments as at the end of the financial period under review measured at fair value are as follows:

	Unaudited As at 31 January 2023 RM	Audited As at 31 January 2022 RM
Levels 1		
Financial assets at fair value through profit or loss - Placements in money market funds	1,965,054	-
	1,965,054	-

The fair value of the placements in money market funds is determined by reference to market price at the end of the reporting period.

A16. Material Events Subsequent to the end of the Quarter

- (i) On 13 January 2023, the Company signed the acceptance of the letter of offer issued by Northern Technocity Sdn Bhd (NTCSB) for the purchase of a vacant freehold industrial land measuring approximately 301,874 sq. ft., located within Kulim High-Tech Park (“**KHTP**”) held under HS(D) 83925, PT 5930 Seksyen 39, Bandar Kulim, District of Kulim, Kedah (“**New Land**”), for a total cash consideration of Ringgit Malaysia Thirteen Million Five Hundred Eighty Four Thousand and Three Hundred Thirty (RM13,584,330.00) (the “**Purchase Price**”) (hereinafter referred to as “**Proposed Acquisition**”). The Company had paid the earnest deposit of Ringgit Malaysia Two Hundred Seventy One Thousand Six Hundred Eighty Six and Cent Sixty (RM271,686.60) equivalent to two per centum (2%) of the Purchase Price. The Company is due to sign the Sale and Purchase Agreement for the Proposed Acquisition before 15 April 2023.

- (ii) On 7 February 2023, the Company completed the issuance of new 35,818,000 ordinary shares of the Company amounting to RM77.3 million (“**Proposed Placement**”). The Company first announced its intention of the Proposed Placement on 13 January 2023

Save as disclosed above, no material event subsequent to the end of the current quarter and financial year-to-date that has not been reflected in this unaudited condensed interim financial statement.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 JANUARY 2023

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of performance

	Individual Period (a)		Changes (Amount/%)	Cumulative Period (b)		Changes (Amount/%)
	(4th quarter)			Current Year To-date	Preceding Year Corresponding Period	
	Current Year Quarter	Preceding Year Corresponding Quarter				
	31-Jan-2023	31-Jan-2022		31-Jan-2023	31-Jan-2022	
Revenue	137,149,895	106,606,799	28.7	482,361,655	367,421,226	31.3
Gross Profit	22,544,342	10,537,823	113.9	60,242,371	40,664,862	48.1
Profit Before Interest and Tax	14,976,179	7,294,901	105.3	29,067,881	24,112,082	20.6
Profit Before Tax	14,045,303	4,508,669	211.5	40,280,912	25,905,475	55.5
Profit After Tax	12,873,103	5,118,816	151.5	37,244,586	22,032,622	69.0
Profit Attributable to Ordinary Equity Holder of the Parent	12,873,103	5,118,816	151.5	37,244,586	22,032,622	69.0

(a) Results for current quarter

For the current quarter ended 31 January 2023 under review, the Group recorded a revenue of RM137.1 million, of which RM111.6 million and RM15.8 million or 81.4% and 11.5% was derived from communication and IoT products, electronics devices and the semiconductor components contributed the remaining RM9.7 million or 7.1%. As compared to the revenue of RM106.6 million recorded in the corresponding quarter in the previous year, the communication and IoT products, electronics devices respectively contributed RM95.6 million and RM7.0 million or 89.7% and 6.5% and the balance of semiconductor components contributed RM4.0 million or 3.8%.

The Group recorded a profit before tax of RM14.0 million for the current quarter as compared to a profit before tax of RM4.5 million recorded in the corresponding quarter of the last financial year under review.

(b) Results for financial year-to-date

The Group registered a relatively stronger business revenue across all business segments for financial year ended 31 January 2023 compared to the preceding year.

For the 31 January 2023, the Group recorded a total revenue of RM482.4 million, of which RM402.2 million and RM53.0 million or 83.4% and 11.0% were derived from communication and IoT products, and electronic devices while the semiconductor components contributed to the remaining RM27.2 million or 5.6%. As compared to the revenue of RM367.4 million recorded in the corresponding preceding year, the communication and IoT products, electronics devices respectively contributed RM317.4 million and RM38.9 million or 86.4% and 10.6% and the balance of semiconductor components contributed RM11.1 million or 3.0%.

The stronger revenue reported underlines the Group's priority in executing the ramping-up of utilization of the Group's recent investments in (1) the new production lines and (2) the new factory extension ("P3"). Additionally, the Group also responded well to the selective improvements of the global supply chain - stepping-out of the Covid-19 pandemic slowdowns in calendar year 2022.

The Group recorded a profit before tax of RM40.3 million for the financial year-to-date as compared to profit before tax of RM25.9 million for the preceding year corresponding period, mainly contributed by the higher revenue, and improved product mix profit margin.

The total expenses of RM21.4 million (RM15.1 million in preceding year corresponding period) comprising administrative, selling and distribution and finance cost can be attributed to the higher foreign exchange translation losses by RM6.2 million and higher total utility cost by RM1.8 million.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 31-Jan-2023	Immediate Preceding Quarter 31-Oct-2022	Changes (Amount/%)
Revenue	137,149,895	132,545,049	3.5%
Gross Profit	22,544,342	17,874,697	26.1%
Profit Before Interest and Tax	14,976,179	14,548,340	2.9%
Profit Before Tax	14,045,303	13,478,696	4.2%
Profit After Tax	12,873,103	12,283,570	4.8%
Profit Attributable to Ordinary Equity Holder of the Parent	12,873,103	12,283,570	4.8%

The Group recorded a revenue and profit before tax of RM137.1 million and 14.0 million, representing an increase of RM4.6 million and RM0.5 million respectively for the current quarter, as compared to the revenue and profit before tax of RM132.5 million and RM13.5 million respectively for the immediate preceding quarter.

The revenue and profit after tax for the quarter under review was slightly higher than the preceding quarter despite the various public holidays and festivities over the quarter.

The total expenses of RM8.9 million (RM6.1 million in preceding quarter) comprising administrative, selling and distribution and finance cost can be attributed to the higher foreign exchange translation losses by RM4.4 million. The utilities cost for the quarter increased by approximately RM0.2 million compared to the preceding quarter arising from (a) higher manufacturing consumption, and (b) higher utility rate.

The Group did not record any business transactions that resulted in the material disposal of investment or properties, a one-off gain or loss, or revaluation gain or loss in this quarter under review.

B3. Prospects for the Group

Similar to its industry peers, the Group continues to be challenged by (1) potential natural disasters, (2) growing manpower, material and utilities cost, (3) recurring constraints of global supply chain, (4) selective shortages of semiconductor components, (5) rising interest rates, (6) volatilities of USD/MYR exchange rates, (7) persisting inflationary effects, (8) trending recessionary sentiments, (9) ongoing Ukraine-Russia and geo-political conflicts, (10) heightening US-China trade and technology tension, and (11) brewing global market contagions or fallouts. Such concerns may dampen global demand resulting in Companies tactically reducing their target inventory holdings. To manage and overcome these challenges, the Group continues to remain prudent and cautiously optimistic in navigating through such unpredictable markets as it strives to diversify its customers' base, and scale-up its manufacturing capacity and technology capabilities whilst actively optimising cost and capital structures.

The order book has reduced to approximately RM262 million on 20 March 2023 as our customers shared their intentions to realign their focus to "just-in-time" where possible to downsize their respective inventory holdings that was built-up pursuant to the Covid-19 pandemic and global markets volatility ramifications. Barring any unforeseen circumstances in executing our existing order book and subsequent new orders, we continue to be cautiously positive about the Group's performance for the financial year ending 31 January 2024.

B4. Note to the Statement of Profit and Loss & Other comprehensive income

	Current quarter ended		Cumulative quarter ended	
	31 January 2023	31 January 2022	31 January 2023	31 January 2022
	RM	RM	RM	RM
This includes the following items of income/ (expense):				
Depreciation of property, plant and equipment	2,829,142	1,479,474	8,745,321	5,609,204
Employee benefits expense	13,259,327	10,367,728	50,867,392	38,410,693
Expenses relating to lease of low value assets	2,530	5,150	21,840	46,518
Expenses relating to short-term leases	12,000	32,227	80,928	62,562
Interest expenses on:				
- Finance lease	20,298	242,452	22,589	544,185
- Term loans	287,376	324,363	1,062,334	1,612,535
- Bankers acceptances and OFCL	767,406	368,504	2,540,572	1,401,209
- Revolving credit	66,132	78,989	93,501	157,340
- Bank overdraft	-	-	-	737
- Interest Charged by Holding				
Loss on disposal of property, plant and equipment	300	-	300	-
Loss on foreign exchange				
- Realised	1,981,023	417,068	3,228,894	986,794
- Unrealised	3,127,036	687,201	4,156,190	240,282
Provision/ (Reversal) of obsolescence/slow moving inventories	-	463,353	(193,437)	463,353
And crediting:				
Gain on disposal of property, plant and equipment	-	-	-	3,881
Fair value gain on revaluation of short term investment *	80,282	-	572,786	-
Interest income *	245,061	173,581	544,197	277,666

*Included in Other Income

There is no provision for and/or write-off of receivables, impairment of assets, and gain or loss on derivatives for the financial quarter under review.

B5. Income tax expense

	Current Quarter ended		Cumulative quarter ended	
	31 January 2023	31 January 2022	31 January 2023	31 January 2022
	RM	RM	RM	RM
Prior year income tax	-	81,853	(15,082)	81,853
Current period income tax	862,200	(829,000)	2,241,408	978,000
Deferred tax	310,000	137,000	810,000	2,813,000
	<u>1,172,200</u>	<u>(610,147)</u>	<u>3,036,326</u>	<u>3,872,853</u>

The effective tax rate of the Group for the current quarter and financial year under review was lower than the statutory tax rate. This was mainly due to the availability of reinvestment allowances.

B6. Profit forecast or Profit guarantee

The Group did not issue any profit forecast or profit guarantee in respect of any corporate proposals.

B7. Status of corporate proposals

On 4 November 2022, the Company granted its eligible employees the Long-Term Incentive - Performance Share Grant (“PSG”) for the financial year ending 31 January 2023 in accordance with ATech Group’s Employee’s Share Scheme (“ESS”) implemented on 1 April 2022. The total shares to be granted is up to 325,000.00 new ATech ordinary shares (“Atech Shares”) on 4 November 2022. The grant price of RM1.5799 was determined by the 5 days volume-weighted average price of ATech traded on the Main Market of Bursa Malaysia calculated from 7 November 2022 to 11 November 2022. Subject to the terms and conditions of the by-laws governing the ESS, the eligible employees shall be entitled to receive new ATech Shares to be issued pursuant to the PSG, upon meeting the vesting conditions, which includes performance targets, stipulated by the ESS Committee.

There was no other corporate proposal announced by the Company in the quarter under review, other than disclosed in Note A16.

B8. Utilisation of proceeds from the Public Issue

The initial public offering (“IPO”) proceeds of RM104.7 million was utilised in the following manner:

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation	%	Actual Utilisation	Balance as at 31 January 2023
		RM		RM	RM
Purchase of new machinery and equipment	within 24 months (1)	40,000,000	38.19	20,826,533	19,173,467
Repayment of bank borrowings	within 6 months (1)	29,520,000	28.19	29,520,000	-
Working capital	within 36 months (1)	28,128,600	26.86	28,128,600	-
Listing expenses	within 6 months (1)	7,085,000	6.76	7,085,000	-
Total		104,733,600	100.00	85,560,133	19,173,467

..

(1) From the date of listing of the Company shares.

The purchases of new machinery and equipment have fully earmarked, the unutilised IPO proceeds as at 31 January 2023 is for the purpose of undue payment to suppliers.

B9. Group's Borrowings and Debts Securities

The details of the Group's borrowings as at 31 January 2023 are as follows: -

	As at 4th quarter ended FYE 2023					
	Long term		Short term		Total borrowing	
	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^
Secured:						
Bankers acceptances	-	-	-	27,757,000	-	27,757,000
Onshore foreign currency loan (OFCL)	-	-	40,037,664	-	40,037,664	-
Finance lease	-	213,241	-	63,100	-	276,341
Term loans/ Islamic financing	-	20,706,658	-	5,036,282	-	25,742,940
Total	-	20,919,899	40,037,664	32,856,382	40,037,664	53,776,281

	As at 4th quarter ended FYE 2022					
	Long term		Short term		Total borrowing	
	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^	Foreign denomination ^	RM denomination ^
Secured:						
Bankers acceptances	-	-	-	23,867,000	-	23,867,000
Onshore foreign currency loan (OFCL)	-	-	66,348,120	-	66,348,120	-
Finance lease	-	-	-	124,787	-	124,787
Term loans/ Islamic financing	-	17,471,984	-	1,522,172	-	18,994,156
Revolving credit	-	-	-	5,000,000	-	5,000,000
Total	-	17,471,984	66,348,120	30,513,959	66,348,120	47,985,943

^ The borrowing for OFCL is denominated in USD with the current quarter closing exchange rate at USD1.00 = RM4.2658 compared to preceding year corresponding quarter USD1.00 = RM4.1855. To reduce the impact of the forex currency conversion loss, Group decided to take the Bankers' Acceptance in Ringgit Malaysia instead of OFCL during the quarter.

The Group's borrowing facilities comprise of largely float rate facilities bearing interest/profit rates ranging from 4.08% to 5.75% per annum during the quarter under review (immediate preceding quarter (3.35% to 5.65%).

The Group did not enter into any financial hedging instruments as at the date of this quarterly report.

There are no significant changes in the total borrowing and banking facilities as compared to the preceding quarter other than the reduction of total borrowing of RM18.0 million.

There is no unsecured borrowing during the quarter under review.

B10. Material Litigation

The Group has an ongoing lawsuit pertaining to the dispute of the writ of summon originated by JR Joint Resources Holdings Sdn. Bhd. (“**JR**”) to BCM Electronics on 6 January 2021 for a total claim of RM 267,428.26 for the purported sum owed to JR for the supply of foreign workers to BCM over the period of 2013 – 2014.

The Session Court allowed BCM Electronic’s application to strike out the lawsuit on 7 October 2021. Upon appeal by JR on 18 October 2021, the High Court affirmed the Session Court’s decision on 21 March 2022 in favour of BCM.

JR subsequently filed a further appeal to the Court of Appeal on 20 April 2022, and upon the case management on 12 August 2022, the appeal hearing date was rescheduled from 10 March 2023 to 30 March 2023.

The lawsuit is not expected to have any material contingent liabilities to BCM Electronics in view of the previous Session Court and High Court rulings. Additionally, BCM Electronic’s appointed solicitor is of the opinion that the claim would be struck out in the Court of Appeal.

B11. Dividends

The Board of Directors has declared a final tax exempt (single tier) dividend of 2.00 sen per ordinary share for the financial year ended 31 January 2023, the entitlement date and payment date are on 18 April 2023 and 9 May 2023 respectively.

B12. Earning Per Shares (“EPS”)

The basic EPS for the current quarter and financial year to date is computed as follow: -

The calculation of earnings per ordinary share as at 31 January 2023, was based on the profit attributable to ordinary shareholders and the number of ordinary shares outstanding were calculated as follows:

	Individual quarter ended		Cumulative quarter ended	
	31 January 2023	31 January 2022	31 January 2023	31 January 2022
(i) Basic EPS				
Profit attributable to ordinary equity owners of the Company (RM)	12,872,620	5,118,816	37,244,586	22,032,622
Earnings per ordinary share attributable to owners of the Company				
Number of ordinary shares	358,180,000	358,180,000	358,180,000	358,180,000
Earnings per ordinary share (sen)	<u>3.59</u>	<u>1.43</u>	<u>10.40</u>	<u>6.15</u>
(ii) Diluted EPS				
Profit attributable to ordinary equity owners of the Company (RM)	12,872,620	5,118,816	37,244,586	22,032,622
Earnings per ordinary share attributable to owners of the Company				
Number of ordinary shares	358,505,000	358,180,000	358,505,000	358,180,000
Earnings per ordinary share (sen)	<u>3.59</u>	<u>1.43</u>	<u>10.39</u>	<u>6.15</u>

B13. Fair value of financial liabilities

There was no gain or loss arising from fair value changes of financial liabilities for the current quarter and financial period under review as the Group did not have any financial liabilities measured at fair value.